

**LEGISLATIVE SERVICES AGENCY  
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**FISCAL IMPACT STATEMENT**

**LS 7653**

**BILL NUMBER:** SB 549

**NOTE PREPARED:** Apr 29, 2005

**BILL AMENDED:** Apr 29, 2005

**SUBJECT:** Liability Insurance for Amusement Rides.

**FIRST AUTHOR:** Sen. Broden

**FIRST SPONSOR:** Rep. Whetstone

**BILL STATUS:** Enrolled

**FUNDS AFFECTED:**     **GENERAL**  
                          **X DEDICATED**  
                          **FEDERAL**

**IMPACT:** State & Local

**Summary of Legislation:** This bill exempts a governmental entity that is subject to the tort claims act and files notice of self-insurance from the requirement that an amusement device operator must purchase a certain amount of liability insurance coverage. It also allows a reduction of the annual aggregate liability insurance requirement for a regulated amusement device operator that operates only bull ride simulators that are multiride electric units with bull ride attachments.

**Effective Date:** Upon Passage.

**Explanation of State Expenditures:** A state agency could be affected by this bill if it applies for any of the affected permits. See *Explanation of Local Expenditures*.

**Explanation of State Revenues:** *Office of State Building Commissioner:* The bill could potentially affect the number of permits issued by the Commissioner, which range in price from \$25 to \$288. In FY 2004, the permits offered for regulated lifting devices and regulated amusement devices generated approximately \$2.2 M in revenue, which was deposited in the Fire and Building Services Fund.

**Explanation of Local Expenditures:** This bill would allow a governmental entity to obtain a permit to operate an amusement device by submitting notification of being self-insured, rather than submitting proof of having an insurance policy, or by having only \$1M in aggregate coverage under certain circumstances.

By allowing a governmental entity to be self-insured, the entity could save insurance premium expenses. Alternatively, expenses could increase if an occurrence caused a higher amount to be paid out than what might

have otherwise been paid in premium payments.

Requiring only \$1M in annual aggregate liability insurance coverage for permit holders that operate only certain bull ride simulators could reduce insurance premium costs.

**Explanation of Local Revenues:**

**State Agencies Affected:** Office of State Building Commissioner; Governmental entities.

**Local Agencies Affected:** Governmental entities.

**Information Sources:**

**Fiscal Analyst:** Valerie Ruda, 317-232-9867.